

PRESS RELEASE



House Committee on the Budget
John R. Kasich, Chairman

Phone : 202/226-7270

Fax: 202/226-5483

Web: www.house.gov/budget

For Immediate Release: March 15, 2000

Contact: Terry Holt 226-7270
Bruce Cuthbertson 225-0342

BUDGET COMMITTEE TAKES UP 2001 BUDGET ***Strengthens Social Security and Medicare, Eliminates Public Debt, and Cuts Taxes***

WASHINGTON - The House Budget Committee today will mark up a budget proposal for fiscal year 2001 offered by Chairman John Kasich (R-OH) that seeks to eliminate the public debt, strengthen Social Security and Medicare, cut taxes and meet priorities for defense and education.

"These are goals that are important to all Americans," said Kasich, "and this is a very achievable proposal for meeting those goals.

"It builds on the successes we've had since balancing the federal budget two years ago while providing the resources we need to meet the challenges of the future. We restrained overall spending but have provided for priority items such as defense and education."

At the same time, this proposal avoids squandering the projected \$1.9 trillion dollar non-Social Security surplus expected over the next decade on the lame duck agenda proposed by the Clinton/Gore administration. The Clinton/Gore budget would spend 70% of that surplus on new and bigger Washington programs.

The budget plan to be considered by the Budget Committee calls for spending \$1.823 trillion in fiscal 2001, and includes budget authority totaling \$596.5 billion for discretionary spending.

The budget's highlights include:

Protecting Social Security. The budget does not spend one dime of the Social Security surplus on other Washington programs.

"Your benefits will be protected," promised Kasich, "since money you've paid into Social Security will be used only for Social Security, not for any other purpose."

Eliminating the public debt. The budget proposal would put government on a path toward eliminating the entire \$3.6 trillion public debt by 2013, and calls for paying down about \$170 billion in debt in fiscal 2001, and \$1 trillion over the next five years.

“Not only will this action help lower interest rates and provide more money for investment in a growing economy, it will lift the tremendous burden of debt off the backs of our children,” said Kasich.

Cutting taxes. The budget package will provide a minimum of \$150 billion in tax cuts over five years, including \$10 billion in 2001. This would accommodate tax relief already approved by the House that reduces the marriage penalty and cuts estate taxes.

Another \$60 billion will be set aside in a dedicated reserve fund for tax cuts, or barring that, for debt relief. It cannot be used for any other purpose. Any increase in the non-Social Security surplus is to be added to this reserve fund.

“Tax cuts are about making government less important and people more important,” stated Kasich. “Tax cuts give us the power and resources to fix the problems we face every day in our own families and communities.”

Reforming Medicare and providing prescription drug benefits for needy seniors. The budget establishes a \$40 billion reserve fund for this purpose, with the money automatically going for further debt reduction until or unless a Medicare reform/prescription drug benefit becomes law.

Strengthening national defense. The budget includes \$307.3 billion for national defense in the coming fiscal year, allowing us to address urgent needs in areas such as readiness and pay for our men and women in uniform. This figure represents a 6% increase over the current fiscal year and \$1 billion more than proposed by the president.

Improving education. A \$2.2 billion increase-9.4% more than the current fiscal year-is included in this budget for primary and secondary education. A five-year increase of more than \$20 billion is anticipated. The budget also calls for giving greater flexibility to states and local school systems in spending federal education dollars. At the same time, this proposal rejects the president’s planned cuts in financial aid.

Increasing basic research. This budget provides significant increases in basic research, including a \$1 billion increase for the National Institutes of Health.

Aiding farmers. Some \$6 billion in immediate income assistance for America’s farmers is provided in this plan, as well as reform of the federal crop insurance program.

Assisting veterans. Republicans are providing a 6% increase for veterans programs with particular emphasis on health care.

###